



ALLTEL SERVICE CORPORATION

1710 Rhode Island Ave. NW • Suite 1000 • Washington, DC 20036
Telephone: 202-331-0113 Facsimile: 202-331-0082

September 20, 1993

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

RE: In the Matter of 800 Data Base Access Tariffs and the 800 Service Management System
Tariff, CC Docket No. 93-129

Dear Mr. Caton:

Enclosed for filing by Sugar Land Telephone Company are an original and four copies of a Direct Case in the captioned proceeding.

Should there be any questions concerning this matter, please contact the undersigned counsel.

Very truly yours,

A handwritten signature in black ink, appearing to read "Diane Smith". The signature is fluid and cursive.

Diane Smith

Vice President - Federal Government Affairs

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Enclosures

RECEIVED

SEP 20 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

In the Matter of)

800 Data Base Access Tariffs and the)

CC Docket No. 93-129 /

800 Service Management System Tariff)

Direct Case of Sugar Land Telephone Company

Sugar Land Telephone Company ("Sugar Land") hereby submits a direct case in response to the Commission's Investigation Order.¹

Background

On March 5, 1993, Sugar Land submitted its tariff filing for the provision of 800 Data Base Access Service² in compliance with the Commission's 800 Order.³ Sugar Land filed terms and conditions and rates to be effective May 1, 1993. This filing was made in accordance with the requirements of Section 61.39 of the Commission's Rules.⁴

¹ See 800 Database Access Tariffs and the 800 Service Management System Tariffs, Order Designating Issues for Investigation, released July 19, 1993, CC Docket No. 93-129, DA 93-930 (Investigation Order).

² Transmittal No. 13 to Sugar Land Telephone Company Tariff FCC No. 2.

³ See Provision of Rules for 800 Service, Memorandum Opinion and Order, released February 22, 1993, CC Docket No. 86-10, DA 93-202 (800 Order).

⁴ Code of Federal Regulations (CFR), Title 47 Telecommunications.

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List A B C D E

On March 22, 1993, MCI Petitioned for Rejection, Suspension and Investigation of virtually all of the LEC 800 data base tariff filings, including Sugar Land's. On April 1, 1993, Sugar Land submitted its reply to MCI's Petition, wherein Sugar Land provided the basis by which its query rates were developed.

On July 19, 1993 the Commission directed certain local exchange carriers (LECs) to respond to issues designated in its Investigation Order and to provide supporting information as required in the Appendices of that Order.

Issues Set Forth For Investigation - Rate of Return Carriers

In the Investigation Order⁵, the Commission set forth issues for response by Rate of Return Carriers. Specifically, of the issues designated for investigation, those that pertain to Sugar Land are outlined below:

- 1.) Can the originating LEC establish tariffed charges for query service when a neighboring LEC who provides the service also has charges for the service in its tariff?⁶
- 2.) Do reductions in the tariffed rates of the SCP owners require reductions in the tariffed rates of non-SCP owners?⁷
- 3.) Are adjustments made to query demand warranted and reasonable?⁸
- 4.) Are investment based costs using the CCSCIS cost allocation reasonable?⁹

⁵ Investigation Order, paras 34-38.

⁶ Ibid, Issue 4, para 34.

⁷ Ibid, Issue 5, para 35.

⁸ Ibid, Issue 35, para 36.

⁹ Ibid, Issue 36, para 37.

I. LECs that incur SCP expenses should be allowed to establish query rates.

Sugar Land operates as a Service Switching Point (SSP)¹⁰ provider for its end office locations and is billed query expenses from its Service Control Point (SCP)¹¹ provider. Since Sugar Land will be invoiced for use of the SCP provider's data base when a query is generated by a Sugar Land customer, Sugar Land should be allowed to recover these expenses through a tariffed query charge. If the Commission determines that rate of return LECs should not be allowed to file tariffed query charges, then the SCP provider must be restricted from apportioning SCP expenses to rate of return SSP providers.

II. Sugar Land's query rates are representative of its costs.

Sugar Land based its query rates on the rates filed by SWB in their May 1, 1993 rates. Those rates were \$0.0031 and \$0.0034 for basic and vertical feature queries, respectively. On July 1, 1993, SWB changed their basic query rate to \$0.003034 and \$0.003334. Sugar Land submits that a change in its query rates of \$0.000066 is immaterial. Based on Sugar Land's 1993 annualized 800 messages volumes, the benefit to 800 service providers from flowing through this rate change would be barely sufficient to cover the associated FCC filing fee necessary to change these rates.¹²

In the immediate instance, Sugar Land submits that its rates are representative of the costs of

¹⁰ A Service Switching Point denotes an end office or tandem switch, which in addition to having Signaling System Seven capabilities, is also equipped to query centralized data bases.

¹¹ Service Control Points are data bases which contain routing instructions for 800 numbers, including identification of the 800 service provider to whom the call should be provided. For Sugar Land, the SCP provider is Southwestern Bell ("SWB").

¹² Based on a five month average of Sugar Land's 1993 originating 800 messages (annualized), the dollar impact to all 800 service providers from flowing through SWB's SCP rate reduction is approximately \$550 (8,236,800 msgs*.000066) annually. The FCC filing fee to make this tariff adjustment is \$490.00.

providing 800 data base service. Indeed, Sugar Land did not receive any comments regarding the lack of reasonableness of its 800 data base query rates in the 800 data base filing.

III. Sugar Land's adjustments to 800 data base demand are appropriate and reasonable.

In the 800 data base filings, almost all LECs recognized that query expenses would be assessed by an SCP provider, irrespective of the ultimate completion of the 800 call. To enable the originating LEC to recover expenses associated with 800 calls queried but not completed, an unbillable factor was used to establish SCP query rates to recover all 800 query related expenses.¹³ Sugar Land used a four (4) percent factor applied against the SWB query rates in establishing its 800 data base rates.

Sugar Land submits that the adjustments made to its 800 data base query demand are appropriate and reasonable and that the levels reflected in its 800 data base filing are justified. These demand adjustments are conservative relative to most other LEC demand adjustments.

¹³ Use of unbillable factor is based on the expectation that Sugar Land will incur SCP expenses for calls it will never be able to complete. This results from the inability of some date base queries to be assigned a valid carrier identification code (CIC) or from the return of valid CIC (from the SCP) for an 800 service provider that has not ordered access service from the Sugar Land SSP. Absent any experience with the 800 data base environment, Sugar Land used a four (4) percent gross-up factor. This is clearly on the low end of adjustments submitted relative to other LEC unbillable adjustments.

IV. Sugar Land has not included investment based costs in its query rate development.

Sugar Land has not included investment based costs in the development of its query rates.

As a result, the concerns raised by the Commission in Issue 6 of the Investigation Order are not applicable to Sugar Land.

Conclusion

Sugar Land submits that its 800 data base query rates are reasonable and that they appropriately reflect the costs of providing 800 data base service. Further, no adjustments are required to the 800 data base rates to reflect SCP provider rate changes. Sugar Land respectfully requests that the Commission's investigation with respect to 800 data base service be hereby terminated insofar as Sugar Land is concerned.

Respectfully submitted,

ALLTEL Service Corporation



Diane Smith

**Vice President of Federal Government Affairs
1710 Rhode Island Avenue, NW Suite 1000
Washington, D.C. 20036**

(202) 331-0039

Its Attorney


September 20, 1993

Certificate of Service

I, Maura Courtney Gordy, hereby certify that on this 20th day of September 1993 copies of the foregoing Direct Case were served by hand on the following:

Federal Communications Commission
Tariff Division
1919 M Street NW, Room 518
Washington, DC 20554

International Transcription Service
1919 M Street NW, Room 246
Washington, DC 20554


Maura Courtney Gordy

September 20, 1993